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The following notice of inquiry, opinions, decisions, judgments, and orders have been omitted in printing this appendix because they appear on the following pages in the appendix to the Petition for Certiorari of the Federal Communications Commission and the United States of America:

Notice of Inquiry of Federal Communications Commission (January 19, 1976)	FCC App. 60a
Memorandum Opinion and Order of Federal Communications Commission (July 30, 1976)	FCC App. 117a
Memorandum Opinion and Order on Reconsideration of Federal Communications Commission (August 25, 1977)	FCC App. 176a
Opinion of the United States Court of Appeals for the District of Columbia Circuit (June 29, 1979)	FCC App. 1a
Judgment of the United States Court of Appeals for the District of Columbia Circuit (June 29, 1979)	FCC App. 57a

I

DOCKET ENTRIES

in the

United States Court of Appeals (D.C. Cir.)

in

*WNCN Listeners Guild and Citizens
Communications Center
v. Federal Communications Commission
and United States of America*

No. 76-1692

DOCKET ENTRIES

DATE	FILINGS—PROCEEDINGS
1976	
July 28	Petition of petitioners for review of order of FCC
29	Certified copy of petition for review mailed to FCC and Attorney General by certified mail
30	Motion of FCC to dismiss petition for review
Aug. 11	Motion of petitioners to amend petition for review
12	Consent motion of petitioners for leave to file opposition to motion to dismiss, time having expired
17	Response of FCC to motion to amend petition for review
18	Order granting petitioners' consent motion for leave to file opposition to motion to dismiss, time having expired
18	Opposition of petitioners to motion to dismiss
18	Reply of FCC to opposition to motion to dismiss
24	Motion of ABC for leave to intervene
25	Certified mail receipt from Attorney General returned
26	Motion of NAB for leave to intervene
Sept. 2	Order granting ABC and NAB leave to intervene
16	Motion of FCC to defer filing of the record
16	Motion of petitioners to consolidate with No. 76-1793 and to hold in abeyance

DATE	FILINGS—PROCEEDINGS
1976	
Oct. 26	Order denying motion to dismiss, granting motion to consolidate Nos. 76-1692 and 76-1793, and extending date for filing of the record to 31 days after FCC ruling on petition for reconsideration
1977	
Aug. 29	FCC's notice of decision on petitions for reconsideration
Sept. 23	Certified index to record
26	Motion of petitioners to extend time to file brief to Dec. 5, 1977
Oct. 11	Order extending time to file petitioners' brief to Dec. 5, 1977
20	Motion of petitioners to amend petitions for review
27	Order directing Clerk to file and serve amended petition for review and granting motion to consolidate with No. 77-1951
31	Certified copy of above order mailed to FCC and Attorney General by certified mail
Nov. 14	Certified mail receipts for amended petition for review returned
14	Motion of petitioners to proceed under Rule 30(c), deferred appendix
17	Order granting petitioners' motion to proceed under Rule 30(c)
22	Motion of petitioners to extend time to file brief to Jan. 16, 1978
28	Order extending time to file petitioners' brief to Jan. 16, 1978

DATE	FILINGS—PROCEEDINGS
Dec. 27	Motion of petitioners to extend time to file brief to Feb. 24, 1978
1978	
Jan. 6	Order extending time to file petitioners' brief to Feb. 24, 1978
Feb. 13	Motion of petitioners to extend time to file brief to Mar. 10, 1978
Mar. 13	Motion of Classical Music Supporters, Inc. for leave to file brief as amici curiae
21	Order granting motion of Classical Music Supporters, Inc. for leave to file brief as amici curiae and extending time for filing petitioners' brief
21	Brief of Classical Music Supporters, Inc.
21	Brief of petitioners
31	Motion of FCC to extend time to file brief to June 12, 1978
Apr. 19	Order extending time to file FCC brief to June 12, 1978 and extending time for filing intervenors' briefs to 15 days after FCC's brief is filed
May 31	Motion of FCC to extend time to file brief to July 14, 1978
June 16	Order extending time to file FCC's brief to July 14, 1978 and amending briefing schedule so that intervenors' briefs are to be filed on July 31, 1978, and petitioners' reply briefs are to be filed on August 15, 1978
July 25	Motion of FCC for leave to file brief, time having expired
26	FCC's suggestion for hearing en banc
31	Order extending time to file FCC's brief

DATE	FILINGS—PROCEEDINGS
1978	
July 31	Intervenors' motion to extend time to file brief to Aug. 10, 1978
31	Brief for respondent
31	Motion of petitioners to extend time to file deferred appendix and reply briefs
Aug. 3	Brief for NAB
7	Order extending time to file deferred appendix and reply briefs to Sept. 15 and Oct. 2, 1978, respectively
10	Brief for ABC
Sept. 15	Joint Appendix
15	Copy of exhibit
20	Motion of petitioners to extend time to file reply brief to Nov. 3, 1978
27	Brief for CBS
29	Brief for ABC
29	Brief for NAB
Oct. 3	Order extending time to file petitioners' reply briefs to Nov. 3, 1978
19	Motion of FCC for leave to file printed brief, time having expired
26	Order granting FCC's motion to file brief, time having expired
26	Brief for FCC
26	Per curiam order denying FCC's suggestion for rehearing en banc

DATE	FILINGS—PROCEEDINGS
1978	
Nov. 6	Reply brief for petitioners
6	Motion of Cornhusker Television Corp. for additional time for oral argument
6	Motion of respondent and intervenors for additional time and permission for additional counsel at oral argument
15	Order referring respondents' and intervenors' motion for additional time and permission for additional counsel at oral argument and motion of Cornhusker Television Corp. for additional time for oral argument to the division of the Court assigned to consider these cases on the merits for disposition
Dec. 14	Order allotting 45 minutes per side for oral argument and granting leave for more than two counsel to present arguments on the side of respondent
29	Order scheduling case for argument on the merits
1979	
Feb. 7	Oral argument en banc before Judges Wright, Bazelon, McGowan, Tamm, Leventhal, Robinson, MacKinnon, Robb and Wilkey
Mar. 13	Per curiam order directing Clerk to lodge letter from FCC and letter from petitioner
13	Letter from FCC lodged
13	Letter from petitioner lodged
June 29	Opinion of Court of Appeals by Judge McGowan; concurring opinions by Judges Bazelon and Leventhal; dissenting opinion by Judge Tamm, joined by Judge MacKinnon

DATE	FILINGS—PROCEEDINGS
1979	
29	Judgment vacating FCC Memorandum Opinion and Order
July 17	Opinion issued in slip opinion form
Aug. 27	Certified copy of opinion and judgment issued to FCC

II

DOCKET ENTRIES

in the

United States Court of Appeals (D.C. Cir.)

in

*Classical Radio for Connecticut, Inc.
and Committee for Community
Access*

*v. Federal Communications Commission
and United States of America*

No. 76-1793

DOCKET ENTRIES

DATE	FILINGS—PROCEEDINGS
1976	
Aug. 27	Petition of petitioners for review of order of FCC
30	Certified copy of petition for review mailed to FCC and the Attorney General by certified mail
Sept. 1	Motion of NAB for leave to intervene
9	Certified mail receipt returned from Attorney General
16	Motion of FCC to defer filing of the record
16	Motion of petitioners to consolidate cases and hold in abeyance
27	Motion of Cornhusker Television Corp. for leave to intervene
Oct. 14	Order granting NAB and Cornhusker Television Corp. leave to intervene
26	Order denying motion to dismiss, granting petitioners' motion to amend petition for review, granting motion to consolidate Nos. 76-1692 and 76-1793 and extending date for filing of the record to 31 days after FCC ruling on petition for reconsideration
1977	
Sept. 23	Certified index to record
26	Motion of petitioners to extend time to file brief to Dec. 5, 1977
Oct. 11	Order extending time to file petitioners' brief to Dec. 5, 1977
Oct. 20	Motion of petitioners to amend petitions for review

DATE	FILINGS—PROCEEDINGS
1977	
27	Order directing Clerk to file and serve amended petition for review and granting motion to consolidate with No. 77-1951
31	Certified copy of above order mailed to FCC and Attorney General by certified mail
Nov. 14	Motion of petitioners to proceed under Rule 30(c), deferred appendix
14	Certified mail receipt for amended petition for review returned
17	Order granting petitioners' motion to proceed under Rule 30(c)
22	Motion of petitioners to extend time to file brief to Jan. 16, 1978
28	Order extending time to file petitioners' brief to Jan. 16, 1978
Dec. 27	Motion of petitioners to extend time to file brief to Feb. 24, 1978
1978	
Jan. 6	Order extending time to file petitioners' brief to Feb. 24, 1978
Feb. 13	Motion of petitioners to extend time to file brief to Mar. 10, 1978
Mar. 13	Motion of Classical Music Supporters, Inc. for leave to file brief as amici curiae
21	Order granting motion of Classical Music Supporters, Inc. for leave to file brief as amici curiae and extending time to file petitioners' brief
21	Brief of Classical Music Supporters, Inc.
21	Brief of petitioners

DATE	FILINGS—PROCEEDINGS
1978	
31	Motion of FCC to extend time to file brief to June 12, 1978
Apr. 19	Order extending time to file FCC's brief to June 12, 1978 and extending time to file intervenors' briefs to 15 days after FCC's brief is filed
May 31	Motion of FCC to extend time to file brief to July 14, 1978
June 16	Order extending time to file FCC's brief to July 14, 1978 and amending briefing schedule so that intervenors' briefs are to be filed on July 31, 1978 and petitioners' reply briefs are to be filed on Aug. 15, 1978
July 25	Motion of FCC for leave to file brief, time having expired
25	Motion of Cornhusker Television Corp. to extend time to file brief
26	FCC's suggestion for hearing en banc
31	Order extending time to file FCC's brief and extending time to file brief of Cornhusker Television Corp. to Aug. 10, 1978
31	Brief for respondent
31	Motion of petitioners to extend time to file deferred appendix and reply briefs
Aug. 3	Brief for NAB
7	Order extending time to file deferred appendix and reply briefs to Sept. 15, and Oct. 2, 1978, respectively
10	Brief for Cornhusker Television Corp.
Sept. 15	Joint Appendix

DATE	FILED	PROCEEDINGS
1978		
	15	Copy of exhibit
	20	Motion of petitioners to extend time to file reply brief to Nov. 3, 1978
	27	Brief for CRS
	29	Brief for NAR
Oct.	3	Order extending time to file petitioners' reply briefs to Nov. 3, 1978
	19	Motion of FCC for leave to file printed brief, time having expired
	26	Per curiam order denying FCC's suggestion for hearing en banc
Nov.	6	Reply brief for petitioners
	6	Motion of Cornhusker Television Corp. for additional time for oral argument
	6	Motion of respondents and intervenors for additional time and permission for additional counsel at oral argument
	15	Order referring respondents' and intervenors' motion for additional time and permission for additional counsel at oral argument and motion of Cornhusker Television Corp. for additional time for oral argument to the division of the Court assigned to consider these cases on the merits for disposition
	27	Response of petitioners to motion of Cornhusker Television Corp. for additional time for oral argument
Dec.	5	Response of petitioners to motion of respondents and intervenors for additional time and permission for additional counsel at oral argument

DATE	FILED	PROCEEDINGS
1979		
Feb.	7	Oral argument en banc before Judges Wright, Bazelon, McGowan, Tamm, Leventhal, Robinson, MacKinnon, Robb and Wilkey
Mar.	13	Per curiam order directing Clerk to lodge letter from FCC and letter from petitioner
	13	Letter from FCC lodged
	13	Letter from petitioner lodged
June	29	Opinion of Court of Appeals by Judge McGowan; concurring opinions by Judges Bazelon and Leventhal; dissenting opinion by Judge Tamm, joined by Judge MacKinnon
	29	Judgment vacating FCC Memorandum Opinion and order
July	17	Opinion issued in slip opinion form
Aug.	27	Certified copy of opinion and judgment issued to FCC

III

DOCKET ENTRIES

in the

United States Court of Appeals (D.C. Cir.)

in

***The Office of Communication of the
United Church of Christ, et al.
v. Federal Communications Commission
and United States of America***

No. 76-1793

DOCKET ENTRIES

DATE	FILINGS—PROCEEDINGS
1977	
Oct. 20	Petition of petitioners for review of order of FCC
	20 Certified copy of petition for review mailed to FCC and the Attorney General by certified mail
	20 Motion of petitioners to consolidate with Nos. 76-1692 and 76-1793
	27 Order directing Clerk to file and serve amended petition for review and granting motion to consolidate with Nos. 76-1692 and 76-1793
	31 Certified copy of above order mailed to FCC and Attorney General by certified mail
Nov. 1	Certified mail receipts for petition for review returned
	9 Motion of Metromedia, Inc. for leave to intervene
	14 Motion of petitioners to proceed under Rule 30(c), deferred appendix
	14 Certified mail receipts for amended petition for review returned
	17 Order granting petitioners' motion to proceed under Rule 30(c)
	17 Motion of NRBA for leave to intervene
	21 Motion of NBC for leave to intervene
	22 Motion of petitioners to extend time to file brief to Jan. 16, 1978
	28 Order extending time to file petitioners' brief to Jan. 16, 1978
	Dec. 5 Order granting Metromedia, NRBA and NBC leave to intervene

DATE	FILINGS—PROCEEDINGS
1977	
6	Motion of CBS for leave to intervene, time having expired
20	Order granting CBS leave to intervene, time having expired
27	Motion of petitioners to extend time to file brief to Feb. 24, 1978
1978	
Jan. 6	Order extending time to file petitioners' brief to Feb. 24, 1978
Feb. 13	Motion of petitioners to extend time to file brief to Mar. 10, 1978
Mar. 13	Motion of Classical Music Supporters, Inc. for leave to file brief as amici curiae
21	Order granting motion of Classical Music Supporters, Inc. for leave to file brief as amici curiae and extending time to file petitioners' brief
21	Brief of Classical Music Supporters, Inc.
21	Brief for petitioners
31	Motion by FCC to extend time to file brief to June 12, 1978
Apr. 19	Order extending time to file FCC's brief to June 12, 1978 and extending time to file intervenors' briefs to 15 days after FCC's brief is filed
May 31	Motion of FCC to extend time to file brief to July 14, 1978
June 16	Order extending time to file FCC's brief and amending briefing schedule so that intervenors' briefs are to be filed on July 31, 1978 and petitioners' reply briefs are to be filed on Aug. 5, 1978

DATE	FILINGS—PROCEEDINGS
1978	
July 25	Motion of FCC for leave to file brief, time having expired
26	FCC's suggestion for hearing en banc
31	Order granting FCC's motion for leave to file brief, time having expired, and extending time to file intervenors' brief to Aug. 10, 1978
31	Brief for respondent
31	Motion of petitioners to extend time to file deferred appendix and reply briefs
Aug. 7	Order extending time to file deferred appendix and reply briefs to Sept. 15 and Oct. 2, 1978, respectively
10	Brief for NRBA
10	Brief for Metromedia, Inc.
10	Brief for CBS
Sept. 15	Joint Appendix
15	Copy of exhibit
20	Motion of petitioners to extend time to file reply brief to Nov. 3, 1978
21	Brief for CBS
29	Brief for petitioners
Oct. 3	Order extending time to file petitioners' reply briefs to Nov. 3, 1978
10	Brief for Metromedia, Inc.
19	Motion for respondents for leave to file printed brief, time having expired

DATE FILINGS—PROCEEDINGS

1978

26 Per curiam order denying FCC's suggestion for hearing en banc

Nov. 11 Reply brief for petitioners

1979

Feb. 7 Oral argument en banc before Judges Wright, Bazelon, McGowan, Tamm, Leventhal, Robinson, MacKinnon, Robb and Wilkey

Mar. 13 Per curiam order directing Clerk to lodge letter from FCC and letter from petitioner

13 Letter from FCC lodged

13 Letter from petitioner lodged

June 29 Opinion of Court of Appeals by Judge McGowan; concurring opinions by Judges Bazelon and Leventhal; dissenting opinion by Judge Tamm, joined by Judge MacKinnon

29 Judgment vacating FCC Memorandum Opinion and order

July 17 Opinion issued in slip opinion form

Aug. 27 Certified copy of opinion and judgment issued to FCC

IV

**"RADIO STATION FORMAT CHANGES, DIVERSITY,
AND CONSUMER WELFARE"**

Prepared by Bruce M. Owen

**Appendix 1 to Comments of National
Association of Broadcasters
in FCC Docket No. 20682**

*RADIO STATION FORMAT CHANGES,
DIVERSITY, AND CONSUMER WELFARE*

BRUCE M. OWEN *

1. *Introduction*

The purpose of this paper is to explore some of the economic issues raised in the Federal Communications Commission's *Notice of Inquiry*¹ on the subject of radio format changes. Briefly, the issue is whether the Commission should attempt to regulate such changes, and if so, how. Both the Commission and the Court of Appeals (in the *WEFM*² opinion) have put the question largely into an economic context. In *WEFM*, the court expresses doubt that competing advertiser-supported radio stations can be assumed to serve consumers well, asserts that "diversity" and the "public interest" are co-extensive in this area, and implicitly defines "diversity" as the number of radio formats in a market. The Commission's *Notice* in essence asks for comments on these and other propositions, and for suggestions of practical ways to proceed with the regulation of formats, if it is to be undertaken.

The issues here fit rather neatly into the economic literature on program patterns and diversity. The line taken by the court in *WEFM* is indeed quite consistent

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¹ Docket 20682, FCC 75-1426, released Jan. 19, 1976.

² *Citizens Committee to save WEFM v. FCC*, 506 F.2d 246, 252 ff *en banc* rehearing, D.C. Cir., 1974. (The FCC must consider the effects on diversity of a proposed change in the format of a radio station, before approving an assignment of license.)

with the earliest and most primitive models of broadcaster behavior.³ Accordingly, a significant portion of this paper will be concerned with these models. This will be followed by a discussion of the economic efficiency of competing, advertiser-supported radio stations, and the prospects for improving efficiency through regulation of formats.

It is quite important to remind ourselves at the outset that in discussing radio we are discussing one of the most competitive and atomistic of media. There are upwards of 8,000 radio stations on the air in the United States; large cities have dozens of stations competing for listeners and for advertisers. There is no reasonable sense in which radio voices can be characterized as scarce or monopolistic in the markets where most people live. Indeed, various agencies of the government have, since 1971, been proposing that the radio industry be "deregulated."⁴

2. Steiner Models

Peter O. Steiner formulated the earliest model of program patterns in radio.⁵ This model has since been re-

³ Peter O. Steiner, "Program Patterns and Preferences, and the Workability of Competition in Radio Broadcasting," 66 *Quarterly J. Economics* 194 (1952); J. Rothenberg, "Consumer Sovereignty and the Economics of TV Programming," 4 *Studies in Public Communication* 45 (1962); Peter Wiles, "Pilkington and the Theory of Value," 73 *Economic Journal* 183 (1963); for a critical summary of this literature, see Owen, Beebe, and Manning, *Television Economics* (1974), at 49-90.

⁴ C. T. Whitehead, "Remarks Before the IRTS," reprinted in M. Barrett, ed., *The Politics of Broadcast Regulation* (1973). This 1971 speech provided the first suggestion of and rationale for radio deregulation.

⁵ Steiner, op.cit.

fined and criticized by a number of economists. The model begins with these assumptions:

1. There exist meaningful categories called "program types," or in this case "formats."
2. Every broadcast can be assigned to one of these types.
3. All broadcasts belonging to a given type are assumed to be perfect substitutes; that is, no listener is made better off by having a choice of two programs belonging to a given type than he is with only one program of that type.
4. Further, it is assumed that the number of competing broadcasters is small, and that broadcasting is supported entirely by advertising.
5. It is assumed that the distribution of tastes in the listening population is "skewed," so that there are a large number of consumers who prefer some particular program type, and smaller "minority taste" groups preferring other types.
6. Listeners have no second choice programs; if their preferred program type is not available, they will not listen at all.
7. Finally, it is assumed that all programs have identical production costs and that all listeners are worth equal amounts of advertising revenue to stations.

It is readily demonstrated that these assumptions lead to the following conclusions: (1) Competing broadcasters will tend to wastefully duplicate programs of the same type. This is so because broadcasters split up larger audience groups until the point is reached where it is profitable to serve the next smaller audience group. (2) There is a tendency not to broadcast minority taste programming. (3) A monopolist who controlled all of

the radio channels would not engage in duplication and would tend to produce more minority taste programming, thus serving a larger total listening audience. (Note that if the WEFM court really believes its own model, then it could pursue increased diversity by allowing a monopolist to control *all* the channels.) (4) An omniscient regulator could dictate program formats with the same result as (3). The demonstration of these propositions takes the form of numerical examples, which can be found in the literature.⁶

The thrust of the analysis in the *WEFM* opinion is consistent with these conclusions. The court seems to point to advertiser-support as the source of the imperfect performance of the industry. It is important to recognize that advertiser-support is but one, and by no means the most important, of the assumptions which fuel the workings of the model. Every single one of the other assumptions is either demonstrably false or improbable. I leave for later the question of program types and the related discussion of diversity. As to the other assumptions: (1) The number of radio broadcasters is not small but large. The model with this assumption relaxed predicts that minority taste programs *will* be broadcast, though there may still be duplication. (2) If the distribution of tastes is not skewed but relatively uniform, there will be no duplication. There is no empirical evidence on the distribution of tastes. Moreover, it is wrong to think about the distribution of tastes without taking account of the intensity of preferences. (3) It is improbable that listeners have no second and lower-ranked preferences. If they do have such preferences, monopolists will seek "common denominator" programs. (4) Radio programs do not have identical costs. If costs differ, it is impossible to make general state-

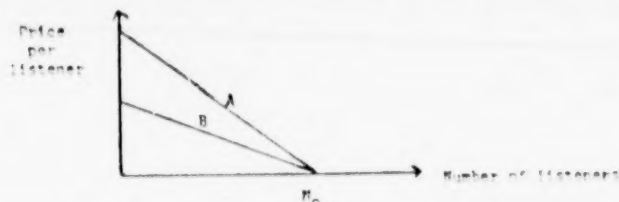
⁶ See, e.g., *Television Economics* at 51-52, and the Appendix to this paper.

ments about the problem using this model. (5) Advertisers do care about the demographic characteristics of audiences. Many advertisers have age, sex or income related products. If they do, it is impossible to make general statements about the problem using this model.

Thus, while the Steiner-type models do provide apparently scientific support for preconceived subjective notions of broadcast market imperfections, the assumptions required to generate the necessary results are quite unreasonable. If this were the only objection, harm enough would be done. But the matter is more serious. Steiner-type models have an entirely inappropriate implicit metric of consumer welfare. In particular, these models associate larger audiences with greater consumer satisfaction, a practice akin to taking a plebiscite on the size of next year's wheat crop. This is not the way to measure economic welfare, nor is it an appropriate criterion for a court to use in defining a metric of the public interest.

The satisfaction of consumers' demand for goods and services is measured, conventionally, by willingness to pay in dollars. Resources are allocated among competing uses in a market economy by prices, acting as signals of value. When we discuss consumer welfare, we talk about consumers' dollar income. In analyzing a particular market, abstracting from distributional issues, we measure efficiency by the relationship of price and marginal cost. The contribution of the market to consumer well-being can under certain conditions be measured by the "consumer surplus" in the market, this being the difference between the amount consumers are willing to pay and what they do pay. Efforts to characterize the behavior of radio markets as better or worse, efficient or inefficient, and so on, on the basis of a head-count of consumers thus lie entirely outside the range of welfare economics.

A diagram may help here. Consider the demand by listeners for two programs, A and B.



The demand curves show how large the audiences for each program will be at various prices. They also show willingness to pay. For instance, at a zero price both programs will have an audience of N_0 listeners. Consumer welfare is measured by the area under the demand curve, above the price charged. Clearly, for the programs in the diagram, consumer welfare is greater for program A than for B at all price levels. Yet Steiner models are indifferent between A and B because at a zero price the audience sizes are the same. Now if the demand curve for B were moved very *slightly* upward and to the right, so that the number of listeners for B at a zero price were $N_0 + 1$, the Steiner criterion would say that we ought always to choose program B. But of course, from the point of view of consumer welfare, program A is still the appropriate choice. Bluntly, the Steiner models tell us *exactly nothing* about the efficiency of competitive advertiser-supported radio broadcasters, because they contain no information on the strength or intensity of consumers' preferences.⁷ Of course, the willingness of various consumer groups to form committees to propose format changes, or to "grum-

⁷ This is not a criticism of their authors, who were well aware of these shortcomings. The Steiner models made a good deal of sense as early attempts to understand the behavior of broadcast markets. That Newtonian physics is now known to be but a "special case," reflects no discredit on Newton.

ble" as the Court puts it, reflects intensity of preference. But it also reflects the age, income, and educational level of the group. To the extent that we rely upon "grumbling" to measure intensity of preferences, we may well unfairly favor more highly educated and wealthy groups at the expense of the less fortunate.

3. Program Types, Formats, and the Meaning of Diversity

Diversity, as the word is used in the present context, means the number of different program types or radio formats. The Court in *WEFM* makes a direct connection between diversity thus measured and the public interest, and at least suggests a direct connection between diversity and consumer satisfaction.

It is inappropriate for me to comment here on the question, whether diversity is a valid goal of government regulation under the First Amendment.⁸ But since it is readily apparent that there is no necessary relation whatever between diversity and consumer satisfaction, the court errs in relying on economics to support the existence of a link between diversity and the public interest.

It seems that we are not to regard the format of each station as *sui generis*, but instead to imagine the construction of some finite number of theoretical formats, in which set of procrustean beds each station in a market must lie. We are then to suppose that the value to consumers of having an additional station in any already occupied bed is always and exactly zero, while the value to consumers of having a new bed occupied is always some large, positive number. But consumers can and do have preferences among stations which

⁸ See Owen, *Economics and Freedom of Expression: Media Structure and the First Amendment* (1975) at Chap. 1, 3.

have similar formats. All stations with the same format do not have identical programs. Stations with the same music format will have different non-music programs and advertising, to say nothing of announcer personalities. Consumers do not allocate themselves at random among stations with the same format. There is some increase in consumer satisfaction associated with the addition of a new station within a given, already occupied, format. There may be as much "diversity" within formats as among formats. Whether consumers would be economically better off with an entirely new format or another station on an old format is a question which cannot even be addressed in the abstract. Indeed, as we shall see, it cannot be answered at all without detailed empirical data concerning individual consumers' demand schedules and program costs, and even then only in a partial equilibrium context. Yet the *WEFM* mandate requires precisely this sort of analysis.

It is important to note that pursuit of increased diversity in radio station formats is as likely to leave consumers worse off as better. Indeed, in the context of any practical enforcement mechanism, pursuit of such a goal is more likely to leave consumers worse off, by introducing a new and formidable barrier to innovation in programming. A station which abandoned a given, possibly "unique" format in order to experiment with a novel variation which either did not fit any official label or was forced into some pre-existing one, could count on having to spend considerable time and money in FCC proceedings.

Similarly, a station would hesitate to adopt an experimental format because of the danger that it might be locked in if it were unsuccessful. Radio stations are continually experimenting with innovations in programming in response to competitive pressures and changing listener tastes. This experimentation is risky. Regulatory procedures which increase the costs and risks of

experimentation will retard innovation. This is hardly in consumers' interest. It is doubtful whether such relatively recent innovations as the "all news" format could have arisen under the *WEFM* rule.

To summarize: It is quite unreasonable to suppose that consumers do not value additional options within a given format, or even suppose that this value will always or even usually be less than the value of a new format. Any such conclusion could never be a general statement about the world, and in any given case would depend on an actual measurement of the economic variables involved.

4. *Radio Competition and Economic Efficiency*

It is normally presumed that competitive firms in an ordinary market will produce the correct quantity, type, and quality of goods, from the point of view of consumer welfare. In *WEFM*, it is argued that no such presumption can be maintained for radio markets, because listeners do not pay directly for programs. Is it true that radio markets are inefficient, and that they tend in particular to produce too little format diversity?

The price of radio programs to listeners is zero. This is so in part because it is impractical to charge listeners for programs; the transactions costs of collecting the fees would exceed by many times the prices that could be charged for the programs. Moreover, in radio, zero prices are actually *efficient* prices, in one important sense, because programs are "public goods." The marginal cost of supplying a program to another listener is literally zero; therefore the price "should" be zero.

The performance of the radio industry with advertiser-support is not properly compared to the performance of the industry with direct listener payment. The fact is that without advertiser-support, there would be no private radio stations. This would be a considerable "market failure," attributable to high transactions costs. Ad-

vertising immensely reduces this failure, by permitting radio broadcasting to exist.

Some very recent work on the theory of monopolistic competition can shed light on the issue of efficiency.⁹ Monopolistic competition is a term used by economists to describe a situation in which large numbers of firms, each small relative to the market, compete in producing products which are differentiated—not perfect substitutes. This corresponds exactly to the situation in radio broadcasting. Prices in such an industry are always “competitive.” There are no monopoly profits. Moreover, prices are always equal to incremental cost—the cost of producing and selling the marginal unit. But it can be shown that, if there are any fixed costs of production, some products which ought to be produced will not be. These are products whose value in consumption exceeds their cost of production, but which nevertheless are not profitable to produce because producers can not extract a sufficient price from consumers. Roughly speaking, such products will be characterized by relatively inelastic demand schedules and relatively small groups of consumers. This means that monopolistic competition is always a “second-best” process. It can never achieve maximum theoretical economic efficiency. Relatively high set-up costs make it impossible to have either products or programs tailor-made to the tastes of each individual. However, the efficiency that is achieved by monopolistic competition is the best that can be done; there exist no feasible policy tools which could improve matters.

Radio broadcasting, for this reason, and because of the public good problem, and because of the impracticality of charging listeners for programs, is very much a second best world as well. But the present structure of the

⁹ M. Spence and B. Owen, “Television Programming, Monopolistic Competition and Welfare,” *Quarterly J. Economics* (forthcoming); an earlier version appears in *Economics and Freedom of Expression* at 143-168.

market for radio stations is very likely to be the best of the possible arrangements. A monopolist of all the channels would, for example, do worse. Moreover, because of the large number of radio stations, it is very likely as a practical matter that the magnitude of the efficiency loss is quite small, compared to other industries.

The imperfection in monopolistically competitive markets in general, and radio markets in particular, which has just been identified, has absolutely nothing to do with diversity, as the word is used in the format controversy. The optimal mix of programs or formats, that which maximizes the value of broadcasts to consumers net of cost, may contain either more or fewer format types than now exist. Moreover, advertiser support is not the “cause” of the imperfection, any more than it is the cause of a market failure in the newspaper industry, which obtains more than 70% of its revenue from advertising.¹⁰ Fixed costs are the problem, and they are a quite general problem. Radio does not present a unique or peculiar problem of market failure.

5. Regulatory Alternatives

If one were to accept the premises of the Steiner model or if one were to set out to do something about the problem of monopolistic competition, it would be natural to ask what regulatory strategy the government might follow in order to improve matters. Which programs, or formats, not available now, should we require licenses to broadcast, in order to make consumers better off? Again, I leave aside the obvious and violent First Amendment objections which such an exercise must inevitably raise.

In order to decide which programs or formats to mandate, the government must have access to the following data: (1) Complete information on the demand schedule of every consumer group for every relevant pro-

¹⁰ Statistical Abstract (1973), p. 502.

gram or format, together with the cross-elasticities of demand among all of the programs at every point on every demand schedule. (2) Complete information on the cost or production of every program or format at all relevant levels of quality and quantity. (3) Complete information on the conjectural reactions of each station to alterations in the programs or formats of every other station in the market. This is not an exaggeration. No lesser degree of information will do.

Are these data obtainable? In principle, the government might possibly be able to discover the program costs, and conceivably even model the interaction of the firms over all the relevant equilibria. But the required information about consumer cannot be obtained. Consumers, aware that the information will affect decisions, will always have an incentive to exaggerate the strength of their preferences for their most preferred formats. If the FCC were to send out a survey questionnaire, asking listeners to tell how much each format is worth to them in dollars (which is what one needs to know), every consumer would have a perfectly reasonable incentive to say that their favorite format was worth a million or a billion dollars a year. Indeed, to the extent that each consumer recognized the universality of the incentive, each would report that his favorite format was vital to life itself. Such a questionnaire would have to be very sophisticated to elicit the required information.¹¹

Clearly this will not do. Does there exist any rule of thumb which will do the trick? In particular, will any variant of the court's proposal in *WEFM* serve? No. We have already seen that there is no necessary relationship between diversity and economic welfare. Seeming

¹¹ See T. Groves, "Incentives in Teams" 41 *Econometrica* 617 (1973); J. Green and J.-J. Laffont, "On the Revelation of Preferences for Public Goods" Technical Reports 140, 141, Institute for Mathematical Studies in the Social Sciences, Stanford, 1974.

diversity of formats will not help, and may easily make things worse. The best that can be done is to make the number of radio stations as large as the market will support. This point has surely been reached already to the extent that marginal stations just break even.

Short of omniscience, in the literal sense, we are already doing as well as can be done in radio broadcasting. If there is a way to improve matters, it lies in the direction of devoting fewer of the industry's resources to the litigious demands of regulation. If radio stations spent less money on regulatory proceedings, that money would be devoted to higher quality¹² programming, precisely because of the high degree of competition in the industry.

6. Conclusion

There exists no economic support for the notion that an increase in diversity, as defined by the Court of Appeals in *WEFM*, will make consumers better off. This concept of diversity is unrelated to any economic measure of consumer well-being. Pursuit of such a goal will very likely, when the costs imposed by regulation itself are taken account of, make consumers worse off. The market for radio broadcasts does have imperfections, when compared to the theoretical ideal. These imperfections have nothing whatever to do with advertiser-support. It is flatly inconceivable that any government agency could remedy the imperfections, because the required information is not obtainable. Even if the information were obtainable, the result might just as easily be a reduction as an increase in diversity as measured by the Court of Appeals. The only practical policy which might improve performance in radio is a thorough-going effort to deregulate the industry.

¹² "Quality" is used here in a non-normative sense. More money would be spent on programming in ways designed to make it more attractive to listeners. Also, a few new stations would probably be viable on the margin.

APPENDIX

The following numerical example contains all of the Station assumptions:

Station group	1	2	3
Number of people in group	40	25	15
Preferred format type	A	B	C

Equilibrium Program Pattern
if the stations are:

Number of stations or channels	Competitive	Monopoly
1	A	A
2	AA	AB
3	ABC	ABC

Note the "wasteful duplication" of the format type A with competition and the "superior performance" of a monopolist. It may be the assumptions listed in the text are not valid; this would no longer follow. In particular, if the groups have any lower ranked formats in common, only that format will be broadcast by the monopolist. If the distribution of group sizes is more even, say 27, 22, 20 then the program pattern for 3 stations in competition will be ABC. If the two "A" type formats are not easily substitutable either way then it is wrong to call the monopoly ABC wasteful. Indeed, one must compare the benefits of group 1 of having a choice with the lost benefits of group 2 of not having programs 1. Suppose the people in group 1 were willing to pay up to 10¢ each, on average, to have a choice of one format "A" stations, given that there were already two. Then the marginal benefit to that group of a monopoly broadcasting AA, as opposed to an broadcasting two A, is \$6.00. If the people in group 1 were willing to pay that much on average per station, as a 10¢ each to one station broadcasting 1, then the net to them of not having 1 is \$2.50. The result is that the monopoly ABC provides group 1 and consumer satisfaction that the "more diverse" monopoly ABC, in the net amounts to \$2.50.

V

"A REPORT ON RADIO STATION FORMAT CHANGES"

Prepared by Robert E. Hennberg

Appendix to Comments of American
Broadcasting Companies, Inc.
in FCC Docket No. 20682

BOB HENABERY ASSOCIATES, INC.

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April 12, 1976

A REPORT ON RADIO STATION FORMAT
CHANGES PREPARED BY ROBERT E. HENABERY
TO ACCOMPANY COMMENTS OF AMERICAN
BROADCASTING COMPANIES, INC. SUBMITTED
TO THE FEDERAL COMMUNICATIONS COMMIS-
SION IN DOCKET # 20682 ("CHANGES IN THE
ENTERTAINMENT FORMATS OF BROADCAST
STATIONS").

INTRODUCTION:

This report has been prepared for American Broadcasting Companies, Inc. by Robert E. Henabery, President of Bob Henabery Associates, Inc., 136 East 55th Street, New York, N.Y. 10022. The purpose of the report is to accompany ABC's comments submitted to the Federal Communications Commission in Docket # 20682.

PROFESSIONAL BACKGROUND OF ROBERT E. HENABERY:

Presently Mr. Henabery is a consultant providing his clientele personal consulting in positioning, programming and operations in the nation's major and medium radio markets. He is a specialist in new radio format development. He also provides seminar services for the National Association of Broadcasters' fall regional meetings. In addition, he is currently preparing a disco music service and a classical music service for national syndication purposes.

Prior to forming his own company in June 1974, he was an employee of ABC's Radio Division. For six years (1968-1974) he served as Director of Program Development, Owned AM Stations, ABC Radio Division, New York. Additionally (1971-1973), he served as consultant for Owned FM Stations, ABC Radio Division, New York. In these capacities, his responsibilities included, among other things, evaluating the performances of ABC's Owned AM Stations; forecasting problems and opportunities in programming within ABC's seven cities of license; continuously visiting markets to analyze programming of Owned AM and competing stations; coordinating certain creative activities; assisting in the innovation of a successful FM "Rock 'n Stereo" format; and studying new operational techniques developed at Owned Stations and elsewhere in the industry.

Mr. Henabery's employment experience in radio programming also includes three years as Director of Programs, Yankee Division, RKO General Broadcasting, Inc. in Boston and ten years as Program Manager of Station WWJ, Detroit. In the former position he helped convert Station WRKO-FM, Boston, to a contemporary format—the first of its kind in a major market.

SCOPE OF THE REPORT:

The report has been prepared in three parts.

PART I. THE RADIO INDUSTRY IN THE LAST DECADE is a brief discussion of recent history subsequent to the Commission's 50% rule regarding the separation of duplicated AM/FM stations under common ownership in a market. It is perceived as a decade of change—from general service to specialization.

PART II. TWO MARKETS—WASHINGTON, D.C. AND TULSA, OKLAHOMA is an analysis organized as follows:

- A. Growth of FM in Washington, D.C. and Tulsa, Oklahoma
- B. Monitor of Washington, D.C. and Tulsa, Oklahoma Markets, Spring 1976
- C. Probable Effects of Governmental Intervention in Format Changes

PART III. YARDSTICKS USED IN RADIO FORMAT DEVELOPMENT describes the method used by the writer to develop programming, and demonstrates, by using hypothetical but plausible examples drawn from thirty years of professional experience, some of the practical problems of determining what constitutes a radio station format change.

PART I. THE RADIO INDUSTRY IN THE LAST DECADE

When demographics (or the grouping of listeners by sex and age) were introduced to radio on a nationally syndicated basis in 1966, station programmers could begin to see their audiences as they really were, i.e., as effects of programming, and, knowing that different kinds of people would respond to programming in different kinds of ways, began to learn how to position themselves against their competitors by the trial and error method of changing their programming in order to target on specific sex-age groups. Prior to the publication of ARB's sex-age data, programming was primitive and totally intuitive. (Intuition and deduction continue to play important roles in the programming art because of the high cost of securing other important data, such as education, income, family size, etc., which prohibit their use except in special situations when the need overcomes normal financial considerations.)

Positioning or specialization was accelerated by the separate growth of FM when, beginning in 1967, the Commission required FM stations, wherever owned in common with an AM in the same market, to discontinue the duplication of at least 50% of the AM programming on FM and to program independently.

Specialization was further accelerated by the post World War II population explosion of teens and young adults who are heavy users of radio, and by a much greater interest in news and public affairs since the early 60's. For example, the nation's first all news radio station, WINS in New York City, went into that format in the spring of 1965.

From 1966 until the present time, radio, particularly in the larger markets, changed dramatically from

what it was to what it is now—from general service to specialization.*

This was also an advertising and marketing imperative as a secondary general service radio station could not compete on an equal footing against television for broadcast advertising dollars. Its general audience was too small for mass marketing purposes; it needed more narrowly defined target audiences.

* A general service station is one which has a variety of different programs at different times during the day and week appealing to a variety of audiences, each of which may use it for one or more of the programs. General service stations are described within the trade as being "all things for all people." A general service station is apt to have an early morning personality along with news and service features, chit chat or music later in the morning, heavy news at noon, more chit chat or music in the afternoon—possibly a phone-opinion program, an afternoon news block and music or sports or special programming late at night. Most major markets tend to have one surviving general service station.

A specialized station tends to take one program and spread it over the entire week. Specialized stations attract more specialized audiences.

The value of a general service station compared to the value of a specialized station can be said to be analogous to the value of a department store compared to the value of a specialized shop or boutique. But this is a bad comparison inasmuch as a department store offers the convenience of all its departments simultaneously, whereas a general service station does not since it cannot present more than one program at a time.

General service can be characterized by saying "at least once a day something for everybody."

Specialization can be characterized by saying "immediate gratification of the specialized and momentary taste."

PART II. TWO MARKETS—WASHINGTON, D.C. AND TULSA, OKLAHOMA:

A. *Growth of FM in Washington, D.C. and Tulsa, Oklahoma*

1. The Washington, D.C. Radio Market

a. *Definition*

The Washington, D.C. radio market is defined to include all stations rated in either the Oct/Nov 1967 ARB report or the Oct/Nov 1975 report for the cities of Alexandria, Va., Arlington, Va., Bethesda, Md., Fairfax, Va., Falls Church, Va., Morningside, Md., Silver Spring, Md., Washington, D.C., Wheaton, Md., and Woodbridge, Md. but *not to include* other rated stations in Baltimore, Md. (WCAO, WLIF, WPOC), La Plata, Md. (WSMD/WSMD-FM) and Manassas, Va., (WPRW); any rated suburban station but not able to be heard in downtown Washington (WINX, Rockville, Md.); unrated educational stations (e.g., WAMU, WETA, WGTB, WGTS); * unrated foreign language stations (WFAN); and unrated outside stations (e.g., WLS, WABC).

The stations *included* here in the Washington, D.C. radio market normally amount to about 90% of the total listening; the stations *excluded* from the Washington, D.C. radio market (mentioned by call letters in the preceding paragraph) normally amount to only about 10% of the total listening in any one ARB report.

* It is an ARB policy not to include educational stations even though they may meet its minimum reporting standards.

This analysis does not, therefore, deal with stations reported in the ARB which are not indigenous to the geographic marketing area. For example, WCAO, Baltimore, Md. has a small audience reported in the Washington, D.C. ARB but it is by all standards a Baltimore, Md. radio station.

b. *Individual Station Comparison—Shares*

Stations	Oct/Nov 1967	Call Letter Change	Oct/Nov 1975
WASH (FM)	3.0		3.8
WAVA (AM)	2.2		.9
WAVA-FM	—		1.9
WDON (AM)	1.5		.4
WEAM (AM)	5.6		1.3
WEEL (AM)	—		1.2
WEZR (FM)	—		1.6
WFAX (AM)	.7		.4
WGMS (AM)	2.2		1.0
WGMS-FM	1.5		1.7
WHFS (FM)	.4		1.0
WJMD (FM)	5.2		4.7
WMAL (AM)	14.1		13.7
WMAL-FM	—		2.4
WOL (AM)	5.2		4.2
WOL-FM	1.1	WMOD (FM)	2.8
WOOK (AM)	4.1		1.5
WPGC (AM)	8.5		2.8
WPGC-FM	3.3		6.9
WPIK (AM)	1.5		1.9
WXRA (FM)	—		1.1

Stations	Oct/Nov 1967	Call Letter Change	Oct/Nov 1975
WQMR (AM)	2.6	WGAY (AM)	1.8
WGAY-FM	3.0		9.6
WRC (AM)	8.9		2.7
WRC-FM	—	WKYS (FM)	4.6
WTOP (AM)	7.4		5.0
WTOP-FM	1.5	WHUR (FM)	1.0
WUST (AM)	.4		4.8
WWDC (AM)	5.9		1.9
WWDC-FM	1.5		1.3
Other	8.7		10.1
	100.0%		100.0%

c. Consolidated Comparison—Shares

	Oct/Nov 1967	Oct/Nov 1975
AM	70.8	44.8
FM	20.5	44.4
Other	8.7	10.8
	100.0%	100.0%

d. Comparison of AM/FM—Percentages of Increase

	Oct/Nov 1967	Oct/Nov 1975	Increase
AM	77.5	50.2	— 35.2%
FM	22.5	49.8	+121.3%
	100.0%	100.0%	

e. The Emergence of Top Rated Specialized FM Stations in Washington, D.C.

In 1967—Washington was dominated by five AM stations (*three* of them general service) which accounted for 49% of the listening in the Washington radio market.

Station	Type*	Share
WMAL	General Service	15.4%
WRC	"	9.7%
WPGC	Music for Young People	9.3%
WTOP	Talk for Older People	8.1%
WWDC	General Service	6.5%

In 1975—it took only one more station to account for 49% of the listening in the Washington radio market but four of the six were FM and only *one* of them was general service.

Station	Type	Share
WMAL	General Service	15.0%
WGAY (FM)	Music for Older People	10.5%
WPGC (FM)	Music for Young People	7.6%
WTOP	News for Older People	5.5%
WJMD (FM)	Music for Older People	5.1%
WKYS (FM)	Music for Young People	5.0%

* Designations of specialized stations by "Type" have been made as wide as practical using subjective language describing the general image of the station at the time, e.g., "Music," "Talk," etc., and combining objective demographic data, e.g., "young people," from the ARB library in New York.

2. The Tulsa, Oklahoma Radio Market

a. Definition

The Tulsa, Oklahoma radio market is defined to include all stations rated in either the Oct/Nov 1967 ARB report or the Oct/Nov 1975 report for the cities of Broken Arrow, Okla., Claremore, Okla., Sand Springs, Okla., and Tulsa, Okla. but not to include other rated stations in Coffeyville, Kan. (KGGF); unrated educational stations; and unrated outside stations (e.g., WLS, WABC).

The stations included here in the Tulsa, Okla. radio market normally amount to about 90% of the total listening; the stations excluded from the Tulsa, Okla. radio market (educational stations and those mentioned by call letters in the preceding paragraph) normally amount to only about 10% of the total listening in any one ARB report.

This analysis does not, therefore, deal with stations reported in the ARB which are not indigenous to the geographic marketing area. For example, KGGF, Coffeyville, Kan. has a small audience reported in the Tulsa, Okla. ARB but it is by all standards at Coffeyville, Kan. radio station.

b. Individual Station Comparison—Shares

Stations	Oct/Nov 1967	Call Letter Change	Oct/Nov 1975
KAKC (AM)	27.0		8.5
KAKC-FM	—		3.0
KBJH (FM)	—		.4
KELI (AM)	8.1		10.8

Stations	Oct/Nov 1967	Call Letter Change	Oct/Nov 1975
KFMJ (AM)	—		1.6
KKUL (FM)	—		2.8
KRAV (FM)	5.4		6.4
KRMG (AM)	27.0		21.5
KTOW (AM)	5.4		2.2
KGOW (FM)	—		.4
KVOO (AM)	16.2		18.2
KRMG-FM	—	KWEN (FM)	7.0
KWPR (AM)	—		1.0
KXXO (AM)	—		1.8
KMOD (FM)	—		7.2
Other	10.9		7.2
	100.0%		100.0%

c. Consolidated Comparison—Shares

	Oct/Nov 1967	Oct/Nov 1975
AM	83.7	65.6
FM	5.4	27.2
Other	10.9	7.2
	100.0%	100.0%

d. Comparison of AM/FM—Percentage of Increase

	Oct/Nov 1967	Oct/Nov 1975	Increase
AM	93.9	70.7	— 24.7%
FM	6.1	29.3	+ 380.3%
	100.0%	100.0%	

e. *The Emergence of Top Rated Specialized Stations in Tulsa, Okla.*

In 1967—Tulsa was dominated by three AM stations (*two* of them general service) which accounted for 79% of the listening in the Tulsa radio market.

Station	Type	Share
KRMG	General Service	30.3%
KAKC	Music for Young People	30.3%
KVOO	General Service	18.2%

In 1975—it took six stations to account for 79% of the listening in the Tulsa radio market but two of the six were FM and only *one* of them was general service.

Station	Type	Share
KRMG	General Service	23.5%
KVOO	Music for Older People	19.6%
KELI	Music for Young People	11.6%
KAKC	Music for Young People	9.2%
KMOD(FM)	Music for Young People	7.8%
KWEN(FM)	Music for Older People	7.5%

3. Other Radio Markets in the U. S.

It can be demonstrated in market after market in the rest of the United States that FM has grown from a secondary medium to the point of achieving near parity with AM in many communities.

In markets like Washington, D.C. where FM started early, FM will soon overtake AM. In markets like Tulsa, Okla. where FM started late, FM listening is just now beginning to boom.

Even with a much lower rate of increase, FM is bound to overtake AM in all the major markets probably before 1980 because of increased conversions in car radios and improved FM transmission systems.

Whether or not FM transmissions are, in fact, that much better than AM is irrelevant since the audience *thinks* that FM is superior and that FM is a qualitative improvement and *that* perception will sustain FM's continued growth and will bring about a shifting of positions that will afford many AM stations in the major and medium markets new opportunities for specialized formats.

B. *Monitor of Washington, D.C. and Tulsa, Oklahoma Markets, Spring 1976*

1. Preface on the Nature of the Radio Medium and the Hazards of Giving Names to Radio Formats

Radio's power is its unique capability of communicating not only on a conscious but also on a below conscious level where it affects the memory, imagination and state of mind of the listener.

Radio is generally perceived as a sound medium and is compared most often to television which is a sight, sound and motion medium.

But, because of radio's capability of communicating on a below conscious level and because of its low intensity and essentially passive nature, radio should not be perceived as the sound medium.

Radio is a personal and private environmental medium.

Unlike television which is the most creative medium for the most passive audience, radio is the most passive medium for people who are physically and/or mentally active and, therefore, most physically and/or mentally creative.

Radio's effects on people are more like the environmental effects of light and warmth than other media.

Radio tends, therefore, to move its listeners to higher levels of activity and creativity.

It is no wonder then that protests have increasingly accompanied format changes because both conscious and below conscious adjustments are forced upon the listener and his levels of activity and creativity are directly affected.

With such an invisible and sensitive medium operating in speeded-up cultural time frames, any resort to giving names to radio formats is practically useless from any analytical standpoint.

What, for example, does "middle of the road" mean? (The term "mid-road" connotes a slightly more youthful image through the mere spareness of terms.)

Before the fragmentation of the radio spectrum, "middle of the road" implied a radio station that played music by Frank Sinatra and Peggy Lee.

Today "middle of the road" could describe widely disparate styles. Glen Campbell is "country" but also "middle of the road," Gladys Knight and the Pips are "R&B" but also "middle of the road," John Denver is "folk" but also "progressive" and "middle of the road," Donny Osmond is "bubble gum" as a soloist but when accompanied by Marie Osmond becomes "middle of the

road." Percy Faith is "beautiful music" but also "middle of the road."

There are now not only "country" stations and "progressive" stations but also "progressive country" stations; not only "soul" stations but "black progressive" stations and "disco" stations not to mention "gospel" and "jazz" stations; not only "all news" stations but "news and information" stations and "news and talk" stations.

The single strongest feature of one format married to the single strongest feature of another format will breed a third format, e.g., "country" + "pop" = "country pop."

Owing to this confusion in terms, people in the industry describe a radio station by its demographic characteristics. Thus, an average "progressive" station may be defined as one with programming that appeals to a primary audience of men 18-24 and a secondary audience of teens, women 18-24 and men 25-34—probably tending to be single or married without children—white—some college—the product of the suburban middle class.

But today's "progressive" (or "boutique rock" or "album oriented" or "album rock") format would convert into a "middle of the road" format ten years from now if today's "progressive" station stays in touch with its current audience because today's 18-24-year-old will be 28-34 years of age ten years from now. That is the classic "middle of the road" configuration.

Thus, a station can, in fact, change format by being consistent through the simple passage of time.

Or, a station can change format overnight by rolling the clock ahead (or back) through the sudden change in its programming.

Radio has always operated freely not only to allow the listener to switch to another station but also to allow the station to switch to other listeners.

2. The Selection of Washington, D.C. and Tulsa, Oklahoma for Monitoring Purposes

To document the diversity of American radio today the writer felt it was necessary to describe the programming of all stations in two important but different markets. Washington, D.C. and Tulsa, Okla. were selected for the following reasons: One is a major market and one is a medium market; one is located in the northeast and one is located in the southwest; one has a large black population and one does not; one has a great news orientation and one does not; finally, the writer had some advance familiarity with both making the task easier.

3. Monitor of Washington, D.C.

The monitor of the Washington radio market took place three days, March 9, March 10 and March 16, 1976.

The writer conducted the monitor in a hotel room in the International Inn which is located at Thomas Circle in the Washington business district.

Depending on the nature of the programming, each station was tracked anywhere from an hour to 15 continuous minutes. The general service stations required greater periods of time than the specialized stations. The popular Hardin and

Weaver show upon which WMAL builds the rest of its programming was given an hour and a half of time. Because of the complexity of the news stations, greater amounts of time were spent listening to them. On the other hand, smaller amounts of time were given to the highly specialized stations because of their relative predictability.

In the cases of the general service stations, where a variety of different programs were on during the day, the writer also contacted the station by telephone to get specific information on the day-parts he was unable to listen to because of the limitations of time.

At the outset, it must be kept in mind one person's perception may be quite different than another's when discussing and describing programming matter even if those persons are experts in the radio programming field. It is the nature of the subject matter and the essential difficulty in attempting to categorize program formats for policy purposes.

For this reason, the descriptions that follow are intended for illustrative purposes and not to show with magnified accuracy totally clear details of each piece of the mosaic. The writer not only recognizes that others might use different descriptive terms to cover certain programming details but submits that the possibility merely underscores the truly subjective and intricate concept "radio format" really represents.

Owners, managers and programmers are as concerned about their public images as they might be about their grandchildren—that is, they can do no wrong. To characterize the style of a news

station as "single anchorperson voices everything" is like saying to a proud grandfather—"just another baby."

Each station is described in three paragraphs: Paragraph (a) describes the "material," i.e., music, news, sports, etc.

Paragraph (b) describes the "structure," i.e., how the material is organized in the hour or the program day.

Paragraph (c) describes elements of "style," i.e., reading and writing style, the "sound," the "pace."

a. *Washington Stations*

	Station Call Letters	Power		Frequency	City of License
		Day	Night		

(1) WUST (AM) 1,000 — 1120 kHz Washington, D.C.

(a) Religious programs and Bible music offering inspiration and comfort for Washington's black community; Mutual Black news; a phone-opinion listener call-in between 8:00AM-9:30 AM.

(b) General service—different programs at different times.

(c) Evangelical fervor, e.g., "This has been the Hour of Alert Broadcast with God's 20th Century Prophet Elder Rufus Settles with a message to the nation. Your support is greatly needed to continue this soul-stirring faith outreach."

(2) WFAX (AM) 5,000 — 1220 kHz Falls Church, Va.

(a) Religious programs.

(b) Quarter-hour and half-hour religious programs follow one another.

(c) Evangelical fervor mixing religious faith and patriotism, e.g., parchment copies of the Declaration of Independence are offered as a premium.

(3) WGMS (AM) 5,000 1,000 570 kHz Bethesda, Md.
WGMS-FM 20,000 20,000 103.5 MHz Washington, D.C.

(a) Fine arts programs and classical music with some opera and ballet; personalities (Pete Jamerson and Renee Channey) in drive-times; luncheon at Kennedy Center interviews; special programming weeknights, 8:00PM-11:00 PM; news and stock market reports; special features (wines).

(b) General service—different programs at different times.

(c) Washington's arts station appears to appeal to a more discriminating person.

(4) WRC (AM) 5,000 5,000 980 kHz Washington, D.C.

(a) "All News, All Day, Every Day." Heavy reliance on NBC's News and Information Service for national and world news; local news on the hour and half hour; weather, traffic, shuttle reports.

(b) National NIS feeds at :06, :15, :36 and :45 add up to approximately 50 minutes per hour with ten minutes provided for local news.

(c) Dual anchorpersons voice national NIS news; single anchorperson voices local "Live News 98." Somewhat formal reading style.

(5) WAVA (AM) 1,000 — 780 kHz Arlington, Va.
WAVA-FM 50,000 50,000 105.1 mHz Arlington, Va.

(a) "News When You Want It." Local Arlington and Alexandria news, Washington news, national and world news; some local actualities but, more often, syndicated actualities; "WAVA Weather;" "Skywatch 78" traffic.

(b) News—locally originated throughout the day.

(c) Single anchorperson voices everything.

(6) WTOP (AM) 50,000 50,000 1,500 kHz Washington, D.C.

(a) "Newsradio 15." CBS national and world news on the hour; other CBS news, sports, commentary and features during the day; locally originated news most of the rest of the time; Frank Herzog sports; Louie Allen and Gordon Barnes weather; Bob Dalton business news; AP audio service.

(b) News—locally originated with CBS feeds on the hour.

(c) Dual anchorpersons on "Newsradio 15" in drive-times only. Somewhat formal writing and reading style.

(7) WJMD (FM) 50,000 50,000 94.7 mHz Bethesda, Md.

(a) "Twenty Four Hours a Day in Stereo —WJMD." Standard songs ("Stardust," "What Now My Love," "People," "Solitude"). Medium tempos. Some vocals. Little news. No personality disc-jockeys.

(b) Music and commercials are clustered.

(c) No back-announcements by the announcers. (A back-announcement re-

fers to giving the artist and song credits at the end of the music, e.g., "Selections in the past fifteen minutes included Percy Faith with 'Moonglow,' Frank Sinatra with 'Try a Little Tenderness,' James Last with 'Theme from Exodus,' and Peggy Lee with 'Don't Smoke in Bed'.")

(8) WEZR (FM) 50,000 50,000 106.7 mHz Fairfax, Va.

(a) "Easy Radio." Standard songs ("This Is My Song," "Around the World," "Charade," "Everybody Loves Somebody"). Medium tempos. Some vocals. Little news. No personality disc-jockeys.

(b) Music and commercials are clustered.

(c) Announcers give back-announcements.

(9) WGAY (AM) 1,000 — 1050 kHz Silver Spring, Md.
WGAY-FM 50,000 50,000 99.5 mHz Washington, D.C.

(a) "All Day All Night All Stereo Music on WGAY 99.5 FM in Washington." Standard songs ("Wonderful, Wonderful," "It Hurts So Bad," "I Won't Last a Day Without You," "My Heart Stood Still"). Medium tempos. Few vocals. Some news. No personality disc-jockeys.

(b) Music and commercials are clustered.

(c) Announcers give back-announcements. Hi-quality audio and separation.

(10) WMAL (AM) 5,000 5,000 630 kHz Washington, D.C.

(a) "Radio 63 WMAL." Heavy personality with Hardin and Weaver's morning show. Two-man team greatly involved

with community. They report the personal activities of their friends and regular listeners, provide church and club information, kid their commercials, do voices and numerous sketches. Hardin and Weaver are self-described as being for "the guy with two cars, ungrateful kids and a house with a mortgage and crab-grass." Personality continues in afternoon with "Two for the Road." Jazz expert Felix Grant holds down evenings. WMAL carries some ABC-1 news, has some local news, plays wide range of music.

(b) General service—different programs at different times.

(c) Ambience is friendly, folksy, funny.

(11) WPIK (AM) 5,000 — 730 kHz Alexandria, Va.
WXRA (FM) 50,000 50,000 105.9 mHz Woodbridge/
Alexandria, Va.

(a) Country music superstars (in one twenty-minute period, Billy "Crash" Craddock, Sonny James, Loretta Lynn, Brian Collins, Moe Bandy, Dottie West); folksy-style announcers; Mutual news.

(b) Music with news on the half hour.

(c) Very easy-going pace and interaction between music and disc-jockey.

(12) WDON (AM) 1,000 — 1540 kHz Wheaton, Md.

(c) Country music; locally produced commercials.

(b) Mostly music.

(c) Rapid-fire pace by disc-jockeys interacting with music.

(13) WASH (FM) 22,500 22,500 97.1 mHz Washington, D.C.

(a) Upbeat pop music but no hard rock. Eddie Gallaher, long-time Washington personality, is morning man; emphasis on local news; Jim Simpson does sports.

(b) Music with news every hour except for drive-times when news is presented twice an hour.

(c) Personable disc-jockeys; hi-quality audio processing gives WASH excellent fidelity and separation.

(14) WEEL (AM) 5,000 500 1310 kHz Fairfax, Va.

(a) "Northern Virginia's Golden Wheel." Golden oldies. Strong community involvement. Woodie West weather.

(b) Mostly music.

(c) Neighborly comments by disc-jockeys between songs.

(15) WWDC (AM) 5,000 5,000 1260 kHz Washington, D.C.

(a) Regular morning show host was on vacation. Bright rock oriented pop music but no "teen" or "energy" accents. ABC-E news actualities presented in hourly news. Helicopter traffic reports were not on the day heard. Music and disc-jockeys the rest of the day.

(b) Music, chit-chat and contests with news on the hour.

(c) Disc-jockeys set a bright, chatty pace.

(16) WKYS (FM) 50,000 50,000 93.9 mHz Washington, D.C.

(a) "Disco Stereo 93 KYS." Rhythm and Blues style music plus selections be-

ing played in area discos. Modest personality involvement. NBC news.

- (b) Music with news on the hour.
- (c) Washington's crossover music station with appeal to blacks and whites.

(17) WOOK (AM) 1,000 250 1340 kHz Washington, D.C.

- (a) "Black Gold." Black music with black disc-jockeys.
- (b) Mostly music.
- (c) Tight production with heavy echo in audio system.

(18) WMAL (FM) 50,000 50,000* 107.3 mHz Washington, D.C.

- (a) Familiar rock music but no "heavy metal" or "glitter." * ABC-FM news.
- (b) Music and commercials are clustered with news at :15.
- (c) Formal disc-jockey presentation.

(19) WEAM (AM) 5,000 5,000 1390 kHz Arlington, Va.

- (a) "The Station with the Albums." Bright adult album rock music. ABC-C news.
- (b) Music and commercials are clustered.
- (c) Free-spirited, conversational disc-jockeys.

* "Heavy metal" and "glitter" characterize the androgynous, extravagant and noisy rock bands popular among older teen-age boys and young men who tend to aggregate them in the same general class as comic book fantasy figures such as "Spider Man" or TV heroes such as "The Six Million Dollar Man."

(20) WHFS (FM) 2,300 2,300 102.3 mHz Bethesda, Md.

- (a) Hard rock 'n roll music with "heavy metal" and "glitter." Unfamiliar cuts by hip, culturally appropriate groups, "The Hummingbirds," "The New Riders of the Purple Sage," "Kingfish."
- (b) Mostly music—free-form sound, i.e., the disc-jockey creates the impression even he doesn't know what's coming next.
- (c) Culturally appropriate music and disc-jockeys.

(21) WHUR (FM) 24,000 24,000 96.3 mHz Washington, D.C.

- (a) "Music with a Message on Your Ebony Lifestyle Station." Black folk, black progressive and black jazz music. Talk features and news addressed to the hip black community.
- (b) Music and talk—free form.
- (c) Racially aware disc-jockeys.

(22) WWDC (FM) 50,000 50,000 101.1 mHz Washington, D.C.

- (a) Album rock music by superstars. Simulcasts WWDC (AM) morning show. ABC-E news.
- (b) Music and commercials are clustered.
- (c) Youthful sounding disc-jockeys play a lot of music with a minimum amount of interruptions.

(23) WMOD (FM) 50,000 50,000 98.7 mHz Washington, D.C.

- (a) Music mix is about two "golden oldies" to one current.
- (b) Mostly music.

- (c) Hi-energy disc-jockeys talk over the music and "keep it cooking" * most of the time.

(24) WOL(AM) 1,000 250 1450 kHz Washington, D.C.

- (a) "The Real One, WOL." Washington's black hit music station ** (soul music by Earth, Wind and Fire, Diana Ross, Kool and the Gang) with talented "jive-talking" disc-jockeys. "Call It and Claim It" contest feature.

- (b) Mostly music.

- (c) Hi-energy disc-jockeys keep it cooking and stop only for commercials and news bulletins. Heavy echo in audio system.

(25) WPGC(AM) 10,000 — 1580 kHz Morningside, Md.
WPGC-FM 50,000 50,000 95.5 mHz Morningside, Md.

- (a) "W-P-G-C — Where-People-Get-Cash." Washington's white hit music station with a continuing flow of cash give-aways to listeners calling in to win. Current contest is "The Older You Are the More You Can Win." Object of this game is for listeners to be able

* "Keeping it cooking" means the disc-jockey doesn't allow the music to stop behind his voice, thus producing a "non-stop" musical sound.

** A "hit music station" is one that plays the top of the best-selling singles charts in a high rotation to get a mass audience listening for short or medium intervals. It does not operate selectively but tries, as much as possible, to mirror current public tastes. Thus it tends to appeal more strongly to different minority tastes at different times, and thus is constantly changing its musical format as far as types of selections are concerned.

to name the last four songs and then, on cue, call in to qualify. Winner gets three times his age in dollars.

- (b) Mostly music and contest involvement. WPGC is, by far, Washington's most contest oriented station.

- (c) Bright pace by disc-jockeys who do most of their business over music to keep it cooking most of the time.

4. Washington, D.C.—A True Radio Market

The result of the monitor indicates Washington is a highly specialized market with the stations not only acting but interacting among themselves on a continuing basis to achieve significant or improved audience levels.

Because of its particular ethnic characteristics and rich cultural life, Washington is a highly individualized radio market. The nation's capital is fortunate in having so many different stations going in so many different and, in some cases, highly experimental directions. The fragmentation of the market is considerable but the evolutionary process is not abating. A number of "holes" have not been filled.

When there is movement into these "holes" the whole market will adjust to the important changes.

Washington is, from a competitive and "product difference" standpoint, a limited and regulated but true market—operating freely without government interference in determining public tastes.

5. Monitor of Tulsa, Oklahoma

The monitor of the Tulsa radio market took place on one day, March 30, 1976.

The writer conducted the monitor in a hotel room in the Mayo Hotel which is located in downtown Tulsa.

As was the case in Washington, D.C., each station was tracked anywhere from one hour to 15 continuous minutes.

a. Tulsa Stations

	Station Call Letters	Power		Frequency	City of License
		Day	Night		
(1)	KFMJ (AM)	1,000	—	1050 kHz	Tulsa, Okla.

(a) "Thanking You For Making Us Tulsa's No. One Gospel Station."

(b) One half-hour religious program follows another.

(c) The Bible is the cornerstone of this ministry, and KFMJ's preachers use scripture as the word of God.

(2)	KBJH (FM)	100,000	100,000	98.5 mHz	Tulsa, Okla.
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(a) "Gospel Music Radio." A joyous presentation of gospel music with good-neighbor phone call-ins, news and other appropriate features.

(b) Improvisational and spontaneous flow of music, listener and disc-jockey interaction.

(c) KBJH perceives religion as a celebration not as a solemn rite.

(3)	KWEN-FM	100,000	100,000	95.5 mHz	Tulsa, Okla.
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(a) "KWEN Stereo 95." Standard songs ("Michele," "The Real Thing," "I Wish You Love," "Once In My Lifetime"). Medium tempos. Few vocals. Little news. No personality disc-jockeys.

(b) Music and commercials are clustered.

(c) No back-announcements by the announcers.

(4)	KVOO (AM)	50,000	50,000	1170 kHz	Tulsa, Okla.
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(a) "Tulsa's Only Full-Time 50,000 Watt Radio." KVOO is a country music station with extensive news coverage (10 minutes on the hour, 5 minutes on the half hour every morning). Frequent brief traffic reports by mobile reporters. ("Four-car accident at 49th and Peoria.") Morning disc-jockey refers to children listening as "cowboys" and "cowgirls." Reads them the elementary school menu.

(b) Music with news on the hour.

(c) Folksy, straightforward and friendly disc-jockey style.

(5)	KTOW (AM)	500	250	1340 kHz	Sand Springs, Okla.
	KGOW-FM	3,000	3,000	92.1 mHz	Broken Arrow, Okla.

(a) "Proud Country Entertainment Radio for Tulsa County, Oklahoma." Duplicates its AM programming on FM. Music by old-line country stars. One hymn per hour. Local advertisers voice their own commercials.

(b) Music with news on the hour.

- (c) Easy pace by mid-day woman disc-jockey.

(6) KRMG (AM) 50,000 25,000 740 kHz Tulsa, Okla.

- (a) KRMG provides a wide range of music, news, service features and fun (trivia questions with East-West all-star tickets as prizes) by its personality disc-jockeys. The station is heavily news oriented in morning drive-time periods; it provides exclusive helicopter service and is an outlet for community announcements of club, church and school events, many of which ("Spring Fever") are voiced by the people themselves.

- (b) Music, with news on the hour and extra editions in drive-times.

- (c) Neighborly style by disc-jockeys with moderate-to-bright music and staging.

(7) KWPR (AM) 500 — 1270 kHz Claremore, Okla.

- (a) A suburban day-time station with a mixed bag of country, pop and rock music. 15 minutes of local news daily at 7:00 AM, 12:15 PM, 5:00 PM. ABC-I network. Oklahoma News network.

- (b) Mostly music and community news.

- (c) Folksy presentation.

(8) KRAV (FM) 100,000 100,000 96.5 mHz Tulsa, Okla.

- (a) "FM 96," recently changed from taped music service, features soft rock, current singles and oldies with a few album cuts and live disc-jockeys. News twice an hour in morning drive-time.

- (b) Music with news at :55.

- (c) Bright disc-jockeys and jingles. ("A Tulsa morning—FM 96.") Excellent audio system provides crisp, quality sound.

(9) KXXO (AM) 5,000 1,000 1300 kHz Tulsa, Okla.

- (a) KXXO plays album cuts by rock superstars. News is presented every 20 minutes 6:00 AM - 9:00 AM. KXXO simulcasts KMOD programming beginning at 7:00 PM.

- (b) Mostly music with some news and community affairs announcements.

- (c) Disc-jockeys are adult. They stress the music played exclusively on KXXO.

(10) KAKC (FM) 97,000 97,000 92.9 mHz Tulsa, Okla.

- (a) "All Super Solid Gold" tape service features the rock music of the 50's and other "gold" music.

- (b) Mostly music with some random news and editorial opinion.

- (c) Pre-recorded voice announces songs.

(11) KMOD (FM) 50,000 50,000 97.5 mHz Tulsa, Okla.

- (a) Hard rock 'n roll music with an ineffable "country" flavor not apparent in similar stations in the northeast.

- (b) Music and commercials are clustered with news at :50.

- (c) Culturally appropriate music and disc-jockeys.

(12) KKUL(FM) 100,000 100,000 103.3 mHz Tulsa, Okla.

- (a) One of two of Tulsa's FM album rock stations. Hard rock 'n roll music with country and even R&B accents (The Who, The Band, Little Feat, Rufus). Carries ABC-FM news. Night-time show features the new album of the day. Morning contest feature involves guessing the time the DJ's overdue wife has her baby.
- (b) Mostly music—free-form sound.
- (c) Culturally appropriate music and disc-jockeys with distinctive communal ambience.

(13) KAKC(AM) 1,000 500 970 kHz Tulsa, Okla.

- (a) One of two of Tulsa's AM hit music stations, KAKC uses "Free Money Call," a cash-call game in which listeners called must read back the winning amount (\$2,058.47) to win. A free prize of a "Disco Party" is also promoted.
- (b) Mostly music and contest involvement.
- (c) Disc-jockey presentation is bright. Jingles are used to introduce the songs.

(14) KELI(AM) 5,000 5,000 1430 kHz Tulsa, Okla.

- (a) One of two of Tulsa's AM hit music stations. KELI uses promotional phrase, "The More You Listen the More You Can Win." Sponsors Doobie Brothers Tulsa concert. Promotes "Track the Tunes" contest and "Keli" car window stickers.

- (b) Mostly music and apparent contest involvement, with news and traffic reports and "Employment Central" feature during the day.
- (c) Disc-jockeys are restrained—apparently reading from cue cards. Their voice levels do not appear to override the music.

6. Tulsa, Oklahoma—A True Radio Market

The result of the monitor indicates Tulsa is beginning to take on a greater degree of specialization than ever before.

Although Tulsa has not developed to the extent that Washington, D.C. has, it is clear that FM penetration, undeveloped until recent years, will reach the 50% level not later than 1980.

7. A Useful Theorem

The following theorem was deduced and became increasingly self-evident during the experience of listening and analyzing the Washington and Tulsa markets:

In a competitive situation—the greater the number of stations the greater the specialization.

C. Probable Effects of Governmental Intervention in Format Changes

1. General Impressions of Washington, D.C. and Tulsa, Oklahoma Radio Markets

After listening to both markets, the writer very seriously questions the ability of any individual or group to begin to think of providing the kinds of creativity and innovation already operating in Washington, D.C. and Tulsa, Okla. and wonders

what advantage, not already real or implicit in existing programming "holes," could possibly be provided by a programming jurisdiction or watchdog group.

2. Current Fears of Government Intervention

In the writer's experience, there are already instances in which experimental new formats have been rejected by licensees at least in part due to a fear that the very novelty and special appeal of the format would be immediately marked as an "endangered species."

The problem is often resolved in a predictable manner: "Be prudent," "Be safe," "Don't take the risk," i.e., "Don't be experimental," "Don't be creative." The easy course becomes the one taken. It also becomes the least likely to attract new audiences and the most likely to shroud creativity and stifle diversification particularly in those forms, e.g., all news, classical, ethnic, etc., requiring the greatest measure of freedom of expression and creativity to achieve commercial viability.

Uncertainty is the nature of experimentation and commercial failure in highly specialized efforts should not be punished by economic extinction.

Aside from the demoralization of creative programmers which would result from any "prior approval" requirement by the government to modify or change formats at any time during the term of the license (and the subsequent loss of many of those people to other media not controlled and managed by the government), any action which would tend to inhibit or prevent changes would also inevitably tend to reverse the trend of the past decade.

Any highly specialized station unable to modify or change format freely will eventually fall behind in ratings because it will be unable to meet the changing needs and tastes of its audience. Its audience will tend to look elsewhere.

As fashions in entertainment continue to change, other highly specialized stations unable to modify or change format to meet changing needs and tastes will also fall behind.

(Operators subtle enough to modify or change without drawing attention or challenges from listener groups would be like the survivors of a fire who somehow managed to exit out the back door while others, no better or worse but only less quick witted, are left behind to suffocate.)

At this point, less specialized and general service stations would presumably receive permission from the government to modify or change to meet the changing needs and tastes.

This would be done by presenting different programs at different times—the distinctive characteristic of general service stations.

General service radio would become common practice again because general service stations could presumably program more freely. The end result would be a gradual shrinking of the market.

3. The Value of the Current System

General service is not convenient for most listeners who opt for the immediacy of programming to their own moods from a variety of specialized stations. (Exclusive listening to one station is not a normal listening habit.)

Everyone in the industry is aware of the decline of the music and news stations when stations spe-

cializing in music *or* news came into the marketplace.

It is felt to be far superior to have all the radio listeners able to switch immediately among as wide a variety of formats as possible than to impose radio listening guide newspaper columns and magazines on the public. (There is a substantial question in the writer's mind whether or not radio, because of its low intensity and environmental nature, naturally lends itself to the print medium.)

It is felt the best system is to have all the radio listeners able to switch immediately among as wide a variety of formats as possible. Indeed, the superiority of specialization to general service can be demonstrated by the great increase in listening in the last decade.

In Washington, D.C., for example, the increase in 12+ population was 28.1% between Oct/Nov 1967 and Oct/Nov 1975. This compares to the much larger increase in listening in the same period—49.5%.

In Tulsa, Okla. the increase in 12+ population was 33.5% between Oct/Nov 1967 and Oct/Nov 1975. This compares to the much larger increase in listening in the same period—80.8%.

PART III. YARDSTICKS USED IN RADIO FORMAT DEVELOPMENT

Radio programming encompasses a body of knowledge largely passed along by word of mouth. (There is little valuable literature available to programmers and, because of the ephemeral nature of the medium, books that are published are out of date by the time they are printed.)

Because of the verbal nature of the knowledge and the independent personalities of most programmers who love radio because they are able to express themselves freely and creatively in it, there is no one recognized authority whose definitions, criteria and methodology are accepted. The leaders in radio programming, as inventive and original in their fields as their creative counterparts in film, TV, literature and the other arts, do not, however, leave behind an oeuvre for students to analyze. There is only a constant evolution of the programming art and myths and memories of the legendary stations of the past.

Because of the somewhat imperceptible characteristics of the radio medium, i.e., its low intensity and environmental nature, it becomes difficult if not impossible to develop criteria to measure it.

The closer one gets into questionable areas the more additional questions seem to be presented. The more one probes—the more decisions need to be made.

There is no common language for definitional purposes. Words have different meanings at different times in different parts of the country. The very word "format" has at least three different meanings: 1) the general style of the station, 2) how the material elements are organized in relation to each other, and 3) the set of rules the disc-jockey must follow.

Only against the background of the foregoing cautionary notes is it possible for the writer to proceed to his own personal analysis of the medium. While this method of analysis is one which he has found useful in programming radio stations, it must be kept in mind that the yardsticks are his own. They are not accepted by the industry as definitive since there are no such definitive yardsticks utilized throughout the industry.

All radio formats consist of three components—material, structure and style.

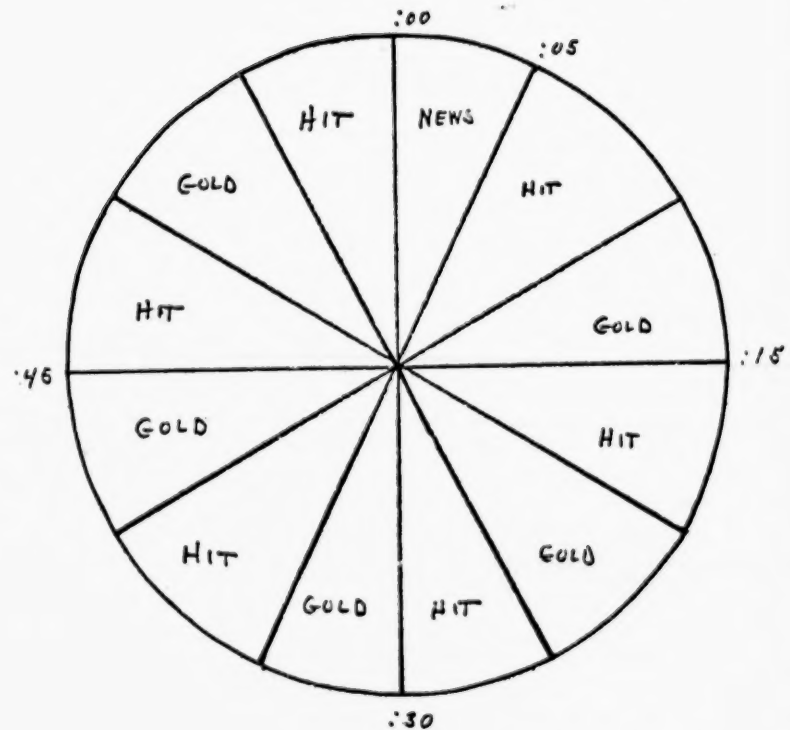
Material is simply what is broadcast on the radio station and what attracts people to tune in and listen. Examples of material are music, personality comments, world and local news, interviews, time, weather and traffic bulletins, business news, farm news, sports news, sports play-by-play, news commentary, editorials and documentaries, listener opinions, contests, talks, speeches, sermons, special events, etc.

Material also includes commercials, promotional announcements and public service announcements which, with specific exceptions, are not inducements to tune in and listen.

Structure is the length of the material and its position in the hour relative to other material.

Structure is often represented in the form of the following "hot clock" example used as a working tool by programmers:

"HOT CLOCK"



COMMERCIALS AT :15, :30 & :45

The "hot clock" tends to make the station sound the same every hour because the material elements are presented at exactly the same times. For example, in a contemporary format using a "hot clock," the category of songs, e.g., oldies, assigned to be the first event after the news tends, over a duration of time with heavy listeners, to become associated with the news and, therefore, becomes somewhat predictable and eventually dull.

Structure can also be determined by a sequence not confined to a specific interval of time. For example:

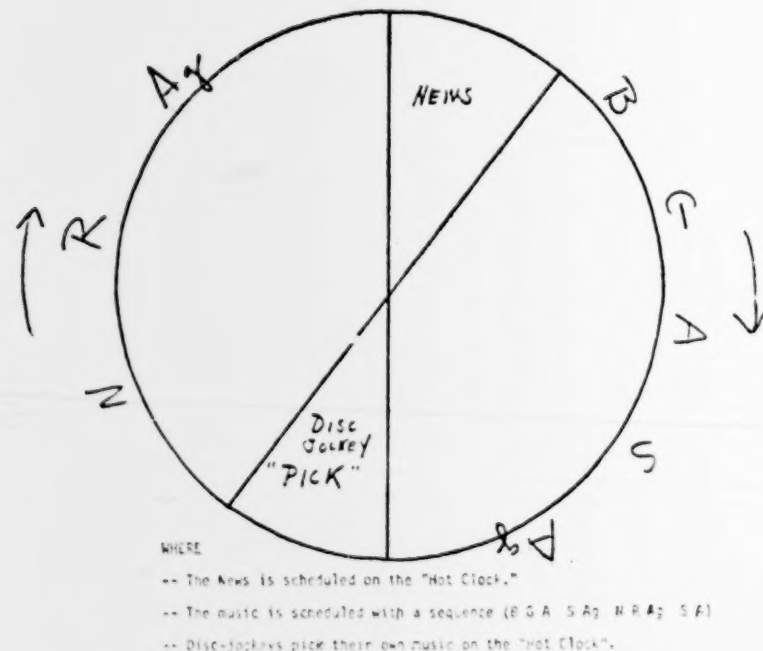
First 40 minutes	Sequence	Next 40 minutes
H R G H G G H R		REPEAT
Key: H=current single; R=recent single; G=old single		

The beauty of the sequence is its apparent unpredictability (the next song is always a surprise) and total consistency (songs do not have to be added or dropped because of different commercial levels).

Because of the improvisational capabilities of the medium, structures can also be totally spontaneous or free form, i.e., unstructured or abstract.

But structures can also be eclectic. It is not uncommon to develop a structure incorporating an hourly "clock," a sequence and free-form spontaneity in the same time frame:

AN ECLECTIC STRUCTURE



Style is the specific personality of each piece of material and the overall personality of the structure which houses the material.

Style dictates everything that goes on the air—the tempo and the familiarity of the songs—the urgent or conversational presentation of the newscaster—the mixing of the music—the use of logos and jingles and other staging—the actual sound of the technical facility.

Any format modification involves some change in material, structure or style or any combination of the three.

A format modification (as distinct from a radio station format change) can be as simple as substituting one category of songs for another in the hourly "hot clock"—lengthening the hourly newscast by a minute—getting the disc-jockeys to be more conversational when reading commercials—putting a new jingle package on the air—converting a "hot clock" into a sequence—changing morning personalities—raising or lowering the commercial levels—providing a mobile unit for traffic reports—carrying the tournament basketball finals—originating programming from the flower show, etc.

To demonstrate the practical problems of determining the difference between a format modification and a radio station format change, the following totally hypothetical but entirely plausible examples are presented:

EXAMPLE #1

A limited facility country music station had a serious decline in ratings because of new FM competition.

A majority of those who deserted the station were younger people so it had an older than average audience profile.

Management studied the problem and decided it had to lower its demographics to recoup.

It eliminated many old-line country artists, e.g., Furlin Husky, Hank Williams, Sr., Tammy Wynette, and concentrated on a new breed of country artists, e.g., Linda Ronstadt, Glen Campbell, Olivia Newton-John, Willie Nelson and Waylon Jennings. Thus, the emphasis of the lyrics of the songs shifted from the joys and sorrows of a country person—to the joys and sorrows of the same person whose lifestyle is changing into big city ways.

Greater repetition was also introduced as new songs by the new breed artists were rotated more frequently.

No other changes were made in the material, structure or style.

Immediate audience response was mixed. Younger people loved the change. Older people hated it. One older listener best summarize the complaints: "Until now you used to play hymns and songs about Old Glory. Now it's nothing but sex and dope. You are a hippy station and you are programmed by the devil."

Did the change in the musical material constitute a radio station format change?

EXAMPLE #2

A standard music FM station in a medium-size market had operated profitably for years.

It had featured "mid-road music at the ratio of two instrumentals to one vocal plus five minutes of news and ten minutes of commercials per hour.

In addition it had a morning man who was once a major factor in the market on the FM's sister AM station. On FM he had leeways for humor in the morning drive-time period not given the station's other announcers whose on-air duties were confined to reading musical back-announcements, commercials and weather reports.

In recent years a beautiful music competitor moved ahead in ratings through the acquisition of a nationally syndicated service.

Reduced to second position among adults 25-64, the audience it perceived as its target, management decided to meet the challenge and upgrade.

To that end it decided a locally produced service similar to the nationally syndicated competitor's was the best alternative.

A highly creative program director was sought and hired to create and supervise the on-air sound:

He made the following changes:

- Sets were created which reflected the mood of the moment, e.g., rain songs in a musical cluster for rainy days.
- All vocals were eliminated.
- News was localized but otherwise left intact.
- Commercials were reduced to eight minutes per hour.
- The morning man was terminated.
- The hourly "clock" was reset with clusters of music and commercials to eliminate interruptions.
- Back-announcements were dropped.

Almost all immediate audience response was negative. Genuine hostility was directed against the station for terminating the morning man. Secondary criticism was directed against dropping the back-announcements.

Did the change in personality material and the change in back-announcement style along with the other changes constitute a radio station format change?

EXAMPLE #3

For years a Class II AM station in a medium market enjoyed success by providing a general service format consisting of ten minutes of news per hour, "mid-road" music and a phone-opinion program at night.

A Class I AM station in the market, after years of looking for an answer to its problems, hired a new manager. He put together a format very similar to the Class II AM station's and, within a year, pulled ahead in the ratings.

Devastated by the awakening of the sleeping giant, the Class II AM made a total format change. It moved its phone-opinion program host to the morning drive-time period and acquired five new telephone talk personalities. The station was then promoted as "The Talk of the People."

Two years after the format change the Class II AM's rating position had improved but sales were still not up to expectations because of bad press generated by a former personality who had once used profanity on the air in heated argumentation.

To solve its sales problem, management decided to convert four of the six day-parts from discussion of current issues and topics to specialized subject matter. The new shows included: "Food Talk," "Travel Talk," "Sports Talk," and "The Experts Talk." (The two remaining phone-opinion programs became "Talk Talk.")

Response was immediate. Many praised the station for the alternative subject matter. But others, particularly two ethnic minority groups, attacked the station for showing a lack of courage in avoiding discussion of issues affecting them.

Did the more than 50% change in the subject matter in talk material constitute a radio station format change?

EXAMPLE #4

A "progressive" FM station had been successful since the early 70's playing "heavy" music, i.e., ex-

tended jams by an electric rock band, and pertinent counter-culture rap for a hip lifestyle audience.

Since the end of the Viet Nam war and Watergate, the station's ratings had slipped.

Management decided to modify its image by taking control of the music through a music sequence and required the disc-jockeys to be more objective about the music and less subjective about themselves.

Most of the high-spirited disc-jockeys were unable to make the transition to a more consistent and familiar sound. They either resigned or were terminated.

Ratings improved but response was overwhelmingly negative. A "free speech" movement was organized in the hip community and directed against the station's advertisers.

Did the material, structural and stylistic changes constitute a radio station format change?

EXAMPLE #5

A powerful AM station had for years billed itself as "The Greater West's Great Station for Music, News and Sports."

In addition to "mid-road" music and hourly newscasts, the station carried the complete schedules (except for conflicts) of the local professional baseball, football and basketball teams. It also carried the football and basketball games of the state colleges plus special events including play-off and championship games, The Triple Crown of Golf and re-creations of heavyweight championship fights.

Coverage of sports was not highly profitable, however, and with rising costs (its labor contracts were

the same as those of its sister TV station's), less listener interest in radio play-by-play and the low commercial inventory forced on the station by the pre-emptions in its busiest seasons, the station started to lose money.

Sports were, therefore, cancelled but the rest of the station, i.e., the music and the news, was left intact.

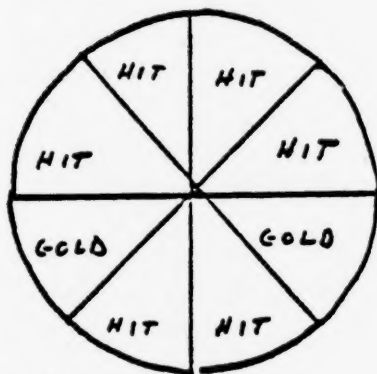
Listener reaction was negative.

Did dropping the sports play-by-play constitute a radio station format change?

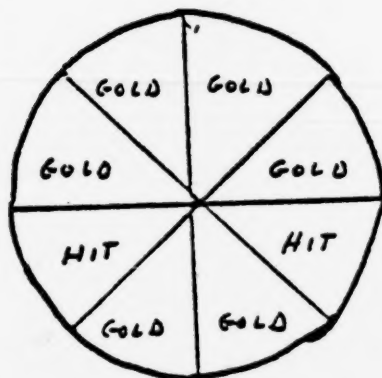
EXAMPLE #6

A contemporary music FM station decided to improve its demographics by changing its music mix from contemporary current to contemporary gold. Changes were made in its hourly "hot clock."

FROM:



TO:



Demographics 18-34 improved but teens moved elsewhere.

Did the change in musical material constitute a radio station format change?

EXAMPLE #7

For years an "old-line" AM station in a medium market had been beefing up its news image by in-

cluding more and more news, sports, weather, traffic, etc. in morning and afternoon drive-time periods and less and less music.

The station finally decided to drop all music and both periods were converted to news and information blocks.

The ratings started to slip. The station went to its listeners and found out they missed the sparkle that a couple of songs an hour provide. As one listener put it, "They took the sting out of all that bad news."

It reinstated the music. Some listeners complained they had been robbed of a unique informational service quite unlike the disc-jockeys heard on every other station in town.

Did taking the music out and then putting it back in constitute radio station format changes?

EXAMPLE #8

A medium-power AM station in a major market with a large "Latino" population hoped to attract some of that audience to its predominately white audience by having a bilingual disc-jockey on from 7:00PM-12:00M who spoke in English but also dropped in Spanish phrases. The disc-jockey, "Salsa Johnnie," played some "hot sauce" music and he was promoted by the other disc-jockeys through the device of their playing one or two "hot sauce" selections per hour with an appropriate promotional announcement for the bilingual jock.

Ratings not only didn't improve at nights but went down across the board. The bilingual jock was terminated and all the "hot sauce" music was dropped.

Did the hiring and the firing of the disc-jockey and the companion changes in music policy represent radio station format changes?

EXAMPLE #9

An FM station in a medium market was an immediate success with an "oldies but goodies" format using the early rock music of the 50's for material. Five years later, with the advent of new fashions in music ("progressive country," "disco," "reggae"), the nostalgia "oldies format was felt to have had it because no new music in that style was available and, in any case, it was felt to be unsuitable because of the change in public tastes.

The station, therefore, switched to a "soft rock" format.

Did the material change in response to the dramatic and sudden change in public tastes constitute a radio station format change?

EXAMPLE #10

A contemporary FM station perceived it sounded like every other rock music station in a major market.

It created a distinctive new sound with the following changes:

- The call letters were dropped except for legal purposes.
- 18 jingles with the logo "Super Q" were scheduled every hour.
- Maximum modulation and echo were built into the audio system.
- Disc-jockeys were instructed to speak louder and faster.

No other changes were made.

Did the changes in style constitute a radio station format change?

In addition to the ten hypothetical examples in the immediately preceding section, the writer closes this report with a comment on another aspect of the radio industry which tends to make the radio format change issue difficult to analyze, i.e., the quality of the local management.

It has been the writer's experience that a change in local managers is often more important than a change in format, inasmuch as a superior manager will improve a poor station and a poor manager will weaken or even destroy a good station.

Assuming a good ownership situation, the quality of the local management is the single most important function in the radio station equation.

Superior management, therefore, represents a qualitative value in the radio station format change issue, i.e., a good rock station is better than a bad rock station and a good classical station is better than a bad classical station.

Logic would also seem to dictate that in an egalitarian society which perceives no one type of format to be inherently superior to another that a good classical station is superior to a bad rock station and that a good rock station is better than a bad classical station.

In other words, it is the local management that determines success not the choice of formats.

The writer strongly believes it is only good local management, motivated by opportunities in the marketplace, that will provide the solution to the radio station format issue by continuing to create new formats to meet the new needs of the listening public.

VI

**ORDERS OF THE
UNITED STATES SUPREME COURT
GRANTING PETITIONS FOR WRITS OF CERTIORARI**

SUPREME COURT OF THE UNITED STATES

No. 79-824

FEDERAL COMMUNICATIONS COMMISSION, *et al.*,
Petitioners,

v.

WNCN LISTENERS GUILD, *et al.*

ORDER ALLOWING CERTIORARI

Filed March 3, 1980

The petition herein for a writ of certiorari to the United States Court of Appeals for the District of Columbia Circuit is granted. The case is consolidated with Nos. 79-825, 79-826 and 79-827 and a total of two hours are allotted for oral argument.

SUPREME COURT OF THE UNITED STATES

No. 79-825

INSILCO BROADCASTING CORPORATION, *et al.*,
Petitioners,

v.

WNCN LISTENERS GUILD, *et al.*

ORDER ALLOWING CERTIORARI
Filed March 3, 1980

The petition herein for a writ of certiorari to the United States Court of Appeals for the District of Columbia Circuit is granted. The case is consolidated with Nos. 79-824, 79-826 and 79-827 and a total of two hours are allotted for oral argument.

SUPREME COURT OF THE UNITED STATES

No. 79-826

AMERICAN BROADCASTING COMPANIES, INC., *et al.*,
Petitioners,

v.

WNCN LISTENERS GUILD, *et al.*

ORDER ALLOWING CERTIORARI
Filed March 3, 1980

The petition herein for a writ of certiorari to the United States Court of Appeals for the District of Columbia Circuit is granted. The case is consolidated with Nos. 79-824, 79-825 and 79-827 and a total of two hours are allotted for oral argument.

SUPREME COURT OF THE UNITED STATES

No. 79-827

NATIONAL ASSOCIATION OF BROADCASTERS, *et al.*,
Petitioners,

v.

WNCN LISTENERS GUILD, *et al.*

ORDER ALLOWING CERTIORARI
Filed March 3, 1980

The petition herein for a writ of certiorari to the United States Court of Appeals for the District of Columbia Circuit is granted. The case is consolidated with Nos. 79-824, 79-825 and 79-826 and a total of two hours are allotted for oral argument.